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KARL MORELL

kmorell@bjllp.com

225293

June 25, 2009

BY HAND DELIVERY

Victoria Rutson
Chief
Section of Environmental Analysis
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

Re: STB Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc. – Abandonment Exemption – In Latah County, Idaho

Dear Ms. Rutson:

Attached please find 10 copies of the Environmental Report and Historic Report in the above-captioned matter. Palouse River & Coulee City Railroad expects to file its Notice of Exemption in about 20 days.

Sincerely,



Karl Morell

Enclosures

225293

ENVIRONMENTAL REPORT
(49 C.F.R. 1105.7)
STB Docket No. AB-570 (Sub-No. 3X)
PALOUSE RIVER & COULEE CITY RAILROAD, INC.
--ABANDONMENT EXEMPTION--
IN LATAH COUNTY, IDAHO

(1) Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

Palouse River & Coulee City Railroad, Inc. ("PRCC"), proposes to abandon its rail lines located between: (1) milepost 84.0. at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street, in Moscow (the "Lines"). Upon receipt of abandonment authority, PRCC intends to remove the rail, track material, and ties. There is one small bridge on the Lines located at milepost 84.3, near the Washington-Idaho State Line. Local entities are interested in rail-banking all or most of the Lines. Consequently, PRCC will not remove or disturb the bridge and will leave the ballast in place.

The salvage process begins with the unbolting of the track materials and rails. With the use of specialized machinery placed on the railroad right-of-way, the rails and related track materials (angle bars, tie plates, spikes, switches and any other metal parts) are removed. Next the wooden ties are raised from the ballast with a tool designed for minimum disruption of ground material. The ballast, bridges and right-of-way will remain intact so as not to alter the prevailing water flows along the Lines. In addition, PRCC salvage contractors are required to

limit their activities to the width of the right-of-way and not to place fill or other material in water bodies. When the salvage process is complete, water flows in the area will not be disrupted.

The proposed abandonment will not change rail freight operations or maintenance practices on the Lines. No local or overhead traffic has been handled on the Lines for over two years. There currently are no active rail shippers located along the Lines.

The only alternative to abandonment would be not to abandon the Lines and force PRCC to absorb the opportunity costs of retaining these inactive Lines. This would not be a prudent use of carrier resources. The Lines are in poor condition and in need of substantial rehabilitation.

A map of the proposed abandonment is attached hereto as Exhibit 1.

(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

No passenger or freight traffic will be diverted to other modes as a result of the proposed abandonment. No local or overhead traffic has been handled on the Lines in over two years. Since the Lines no longer handle rail traffic, the proposed abandonment will have no adverse effects on regional or local transportation systems and patterns.

(3) Land Use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9. (iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

(i) PRCC does not consider the proposed abandonment to be inconsistent with existing land use plans. PRCC contacted the Latah County Commissioners. See Exhibit 2. No response to this inquire has been received to date. A copy of this Report has been mailed to the appropriate local and state agencies for their information and comment.

(ii) PRCC notified the USDA Natural Resources Conservation Service ("Conservation Service") of the proposed abandonment and requested assistance in identifying any potential effects on prime agricultural land. See Exhibit 3. The Conservation Service "has no comments or concerns with the listed resources for the abandonment of these rail lines through the city of Moscow, Idaho." See Exhibit 4. A copy of this Report is being supplied to the Conservation Service for its information and further comment.

(iii) The Lines do not pass through a designated coastal zone.

(iv) The Lines traverses an urban area that has an adequate road and highway network.

Therefore, there is little or no likelihood that the rail corridors are needed for a transit or highway corridor.

(4) Energy. (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

(i) The proposed abandonment will have no effect on the transportation of energy resources.

(ii) The proposed abandonment will have no effect on the transportation of recyclable commodities.

(iii) The proposed abandonment will have no effect on overall energy efficiency as no local or overhead traffic has been handled on the Lines for over two years.

(iv) The proposed abandonment will not cause any diversions of rail traffic to motor carriage, since no local or overhead traffic has been handled on the Lines for over two years.

(5) Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or § 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in sub-section (5)(i)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line; (B) an increase in rail yard activity of at least 20 percent (measured by carload activity); or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

(i) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(ii) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(iii) The proposed abandonment will not affect the transportation of ozone depleting materials.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more; or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable

(7) Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings). (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

(i) The proposed abandonment will have no detrimental effects on public health and safety. The removal of grade crossings and the associated signs and structures will enhance public safety by eliminating distractions to vehicular traffic crossing the Lines.

(ii) The proposed abandonment will not affect the transportation of hazardous materials.

(iii) There are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the rail corridors of the Lines.

(8) Biological Resources. (i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects. (ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.

(i) PRCC notified the U.S. Fish and Wildlife Service of the proposed abandonment and requested assistance in determining whether endangered or threatened species or areas designated as a critical habitat are likely to be adversely affected. See Exhibit 5. The U.S. Fish and Wildlife Service has identified one threatened species (Spalding's catchfly) in the project area. See Exhibit 6. The proposed abandonment and salvage operations will have no adverse effect on this threatened species. PRCC will not salvage the bridge and the ballast will remain intact. Consequently, the prevailing water flows will not be altered or impacted. Also the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fills or other material in the water bodies. A copy of this Report is being supplied to the U.S. Fish and Wildlife Service for its information and further comment.

(ii) PRCC does not believe that any wildlife sanctuaries or refuges, National or State parks or forests would be adversely affected by the proposed abandonment. PRCC notified the National Parks Service of the proposed abandonment and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests. See Exhibit 7. To date, no response to this request has been received. A copy of this Report is being supplied to the National Park Service for its information and comment.

(9) Water. (i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies. (ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects. (iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.

(i) PRCC is confident that the proposed abandonment will be consistent with applicable water quality standards. PRCC contacted the Idaho Department of Environmental Quality (“DEQ”) and the U.S. Environmental Protection Agency concerning this matter requesting assistance in determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 8. To date, no response to these requests has been received. Nevertheless, PRCC continues to believe that the proposed abandonment and salvage operations will be consistent with applicable Federal, State and local water quality standards. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. A copy of this Report is being supplied to the U.S. Environmental Protection Agency and the DEQ for their information and comment.

(ii) PRCC is confident that no designated wetlands or 100-year flood plains will be adversely affected by the proposed abandonment. PRCC contacted the Corps of Engineers concerning these matters. See Exhibit 9. The Corps noted that an Army permit would be required for this project if it involved the discharge of dredged or fill material in waters of the United States. The Corps suggested that PRCC have the project area inspected by a qualified

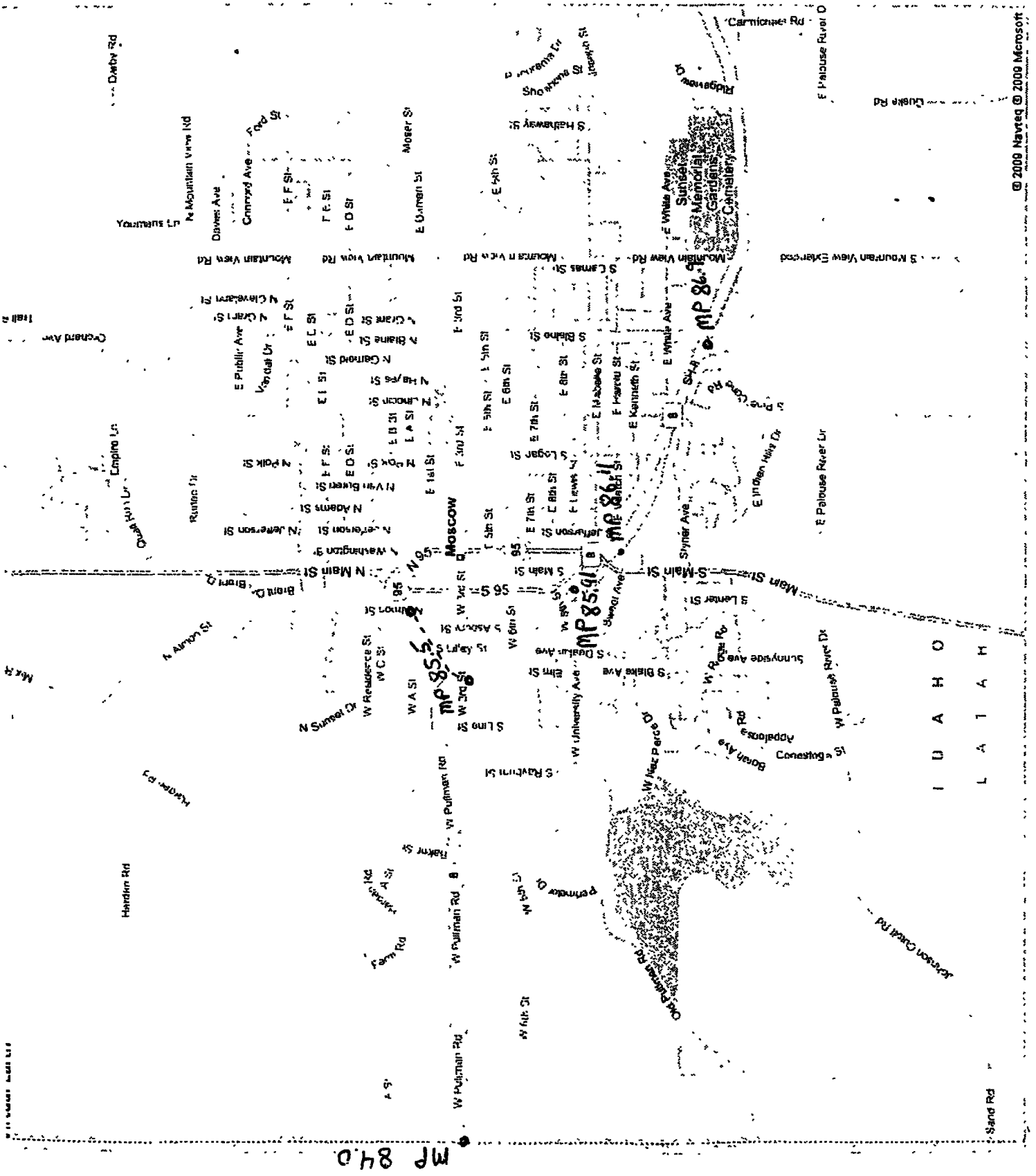
wetland consultant. See Exhibit 10. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. Consequently, there will be no discharge of dredged or fill into waters of the United States. A copy of this Report is being supplied to the U.S. Army Corps of Engineers for its information and further comment.

(iii) PRCC contacted the U.S. Environmental Protection Agency concerning this matter and requested assistance in identifying any potential effects on applicable water quality standards and determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 8. To date, no response to this request has been received. Nevertheless, PRCC continues to believe that the proposed abandonment and salvage operations will not require permits under Section 402. The proposed abandonment will result in the removal of the rails, ties and track materials. The bridge and ballast will remain in place. Also, the salvage contractor will be required to limit its activities to the width of the right-of-way and not to place fill or other material in water bodies. A copy of this Report is being supplied to the U.S. Environmental Protection Agency for its information and comment.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

PRCC does not expect any adverse environmental impact from the proposed abandonment and, therefore, sees no need for any mitigating actions. PRCC will, of course, adhere to any remedial actions suggested by the recipients of this Report and required by the Board.

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KARL MORELL
OF COUNSEL

kmorrell@bjllp.com

May 8, 2009

Latah County Commissioners
P.O. Box 8068
Moscow, ID 83843

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.—Abandonment Exemption—In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on existing land use plans. We must determine whether the proposed abandonment is inconsistent with existing land use plans.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Karl Morell". The signature is written in black ink and is positioned above the printed name.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

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**KARL MORELL
OF COUNSEL**

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May 8, 2009

**USDA Natural Resources Conservation Service
9173 West Barnes Drive, Suite C
Boise, ID 83709**

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.--Abandonment Exemption--In Latah County,
Idaho**

Dear Sir/Madam:

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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on prime agricultural land.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009
Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script, reading "Karl Morell". The signature is written in black ink and is positioned below the word "Sincerely,".

Karl Morell
Attorney for:
Palouse River & Coulee City Railroad, Inc.



Natural Resources Conservation Service
9173 W Barnes Dr., Ste C
Boise, Idaho 83709
Phone: 208-378-5700
Fax: 208-378-5735

May 19, 2009

Karl Morell
Attorney for: Palouse River & Coulee City RR, Inc.
Ball Janik LLP
1455 F. Street, NW, Suite 225
Washington, D.C. 20005

Re: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City Railroad, Inc.—
Abandonment Exemption—In Latah County, Idaho.

Dear Mr. Morell,

This letter is in response to your May 8, 2009 request for information and comments on the above referenced project.

The resource impacts that the Natural Resources Conservation Service (NRCS) typically reviews and provides comments for, if necessary, include the following:

- Soil Suitability and limitations
- Erosion, sediment and dust control
- Water discharge from project area to off-site locations – Impact to water quality and irrigation systems
- Effects of disruption to natural drainage patterns
- Consideration for soil and water conservation management systems and measures on project and adjacent lands; and, Impacts on previously installed soil and water conservation management systems
- Prime and Unique Farmland
- Impacts on Ecosystems
- Impacts on other NRCS-related projects

The NRCS has no comments or concerns with the listed resources for the abandonment of these rail lines through the city of Moscow, Idaho. The proposed abandonment will occur within an existing transportation right-of-way. Soil suitability and effects to prime and unique farmland will not be changed nor otherwise affected. Erosion, sediment, dust and water control should be included within normal operating plans as required by federal and

state regulatory agencies. It is unlikely that there would be additional effects to plant communities, terrestrial and aquatic ecosystems, biodiversity, or fuel loads. There are no current or planned NRCS-related projects in that area.

If you have any questions, please contact Mark Weatherstone, Assistant State Conservationist - Technical Services at (208)378-5720 or email at mark.weatherstone@id.usda.gov.

Sincerely,


JEFF BURWELL
State Conservationist

cc:

Bob Tribelhorn, Assistant State Conservationist - Operations West, NRCS, Moscow, ID
Mark Weatherstone, Assistant State Conservationist - Technical Services, NRCS, Boise, ID

Darin Vrcm, Cultural Resource Specialist/Archaeologist, NRCS, Boise, ID

Hal K. Swenson, Assistant State Soil Scientist, NRCS, Boise, ID

Bruce Knapp, Resource Soil Scientist, NRCS, Moscow, ID

Patrick Evans, District Conservationist, NRCS, Moscow, ID

BALL JANIK LLP

EXHIBIT 5

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KARL MORELL
OF COUNSEL

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May 8, 2009

U.S. Fish and Wildlife Service
1387 S. Vinnell Way, Room 368
Boise, Idaho 83709

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.--Abandonment Exemption--In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in determining whether it is likely to adversely affect endangered or threatened species or areas designated as a critical habitat.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009
Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Karl Morell".

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



United States Department of the Interior
IDAHO FISH AND WILDLIFE OFFICE

1387 S Vinnell Way, Room 368
Boise, Idaho 83709
Telephone (208) 378-5243
<http://www.fws.gov/idaho>



MAY 29 2009

Karl Morell
Ball Janik LLP
1455 F Street, NW Suite 225
Washington, D.C. 20005

Subject: Palouse River and Coulee City Railroad, Inc. Abandonment Exemption—Latah
County, Idaho—Species List
970.3000 14420-2009-SL-0390

Dear Mr. Morell:

The Fish and Wildlife Service (Service) is providing you with a list of endangered, threatened, proposed, and/or candidate species, and designated critical habitat which may occur in the area of the abandonment exemption. You requested this list by letter on May 8, 2009. Please refer to the species list number 14420-2009-SL-0390 shown above in all correspondence and reports.

Non-Federal Lands and Section 7

Section 7 of Endangered Species Act of 1973 (Act), as amended, requires Federal agencies to assure that their actions do not jeopardize any listed species and provides a process for exemption of take for Federal agencies. Although your project is located on non-Federal lands, if there is a Federal action (funding, permitting, or direct action) associated with your project, the Federal agency is required to consult with the Service if the action may affect a listed species. Section 7 regulations also allow for applicants to be involved in the consultation process. For instance, a Federal agency may designate you or another non-Federal entity to represent them in an informal consultation.

The enclosed list fulfills the requirements for a species list under section 7(c) of the Act. If the project decision has not been made within 180 days of this letter, regulations require that you request an updated list. More information on the regulations and procedures for section 7 consultation, including the role of permit or license applicants, can be found in the "Endangered Species Consultation Handbook" at <http://www.fws.gov/endangered/consultations/s7hndbk/s7hndbk.htm> (last accessed May 26, 2009). Section 7 consultation information specific to Idaho-listed species can also be found on the Idaho Fish and Wildlife Office website at <http://www.fws.gov/idaho/agencies.htm> (last accessed May 26, 2009).

TAKE PRIDE
IN AMERICA 


Karl Morell
Palouse River and Coulee City Railroad, Inc. Abandonment Exemption

Voluntary Agreements for Species Conservation on Private Lands

The Act includes provisions for the conservation of listed species on both Federal and non-Federal lands. A private landowner may wish to enter into an agreement with the Service under section 10 of the Act for activities that benefit listed, proposed, and candidate species. Voluntary agreements such as Safe Harbor Agreements or Candidate Conservation Agreements contribute to the conservation of listed, proposed, or candidate species while allowing for management activities on non-Federal lands. In addition, Section 9 of the Act prohibits the "taking" of any listed species without an exemption (issued by the Service) for that take¹. For private landowners, that exemption is developed through the permit process of Section 10 (through a Habitat Conservation Plan) of the Act. More information on the various mechanisms for take exemption available to private landowners under the Act can be found at <http://www.fws.gov/idaho/Landowners.htm> (last accessed May 26, 2009).

If you have any questions about your responsibilities under the Act, or require further information, please contact Barbara Chaney at the Idaho Fish and Wildlife Office at (208) 378-5259. For information on conservation opportunities under section 10 of the Act, contact Conservation Planning Branch Chief Kendra Womack at the Idaho Fish and Wildlife Office at (208) 685-6951. Thank you for your continued interest in endangered species conservation.

Sincerely,



Jeffery L. Foss, State Supervisor
Idaho Fish and Wildlife Office

Enclosure

¹ Take of threatened or endangered animal species is defined as, harass, harm, pursue, hunt, shoot, wound, kill, trap, capture or collect, or to attempt to engage in any such conduct. Harm is further defined by the Service to include significant habitat modification or degradation that results in death or injury to listed species by significantly impairing essential behavioral patterns, including breeding, feeding, or sheltering. Harass is defined by the Service as an intentional or negligent act or omission which creates the likelihood of injury to wildlife by annoying it to such an extent as to significantly disrupt normal behavior patterns which include, but are not limited to, breeding, feeding, or sheltering



PALOUSE RIVER AND COULEE CITY RAILROAD, INC.
ABANDONMENT EXEMPTION
LATAH COUNTY, IDAHO
SPECIES LIST 14420-2009-SL-0390

LISTED SPECIES	STATUS
Spalding's catchfly (<i>Silene spaldingii</i>)	Listed Threatened
PROPOSED SPECIES & PROPOSED/DESIGNATED CRITICAL HABITAT	
None	
CANDIDATE SPECIES ²	
None	

Information on the above species and their management can be found on the Environmental Conservation Online System (ECOS) website at http://ecos.fws.gov/ecos_public/index.do (last accessed May 26, 2009) and the Idaho Fish and Wildlife Office website at <http://www.fws.gov/idaho/agencies.htm> (last accessed May 26, 2009).

²Candidate species have no protection under the Act, but are included for your early planning consideration. Candidate species could be proposed or listed during the project planning period, and would then be covered under Section 7 of the Act. The Service advises an evaluation of potential effects on candidate species that may occur in the project area.

May 2009

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May 8, 2009

National Park Service
One Jackson Center
1111 Jackson Street, Suite 700
Oakland, CA 94607

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.--Abandonment Exemption--In Latah County,
Idaho**

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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" and last name "Morell" clearly distinguishable.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 8, 2009

Administrator
Department of Environmental Quality
1118 F Street
Lewiston, ID 83501

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.—Abandonment Exemption—In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. PRCC does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

BALL JANIK LLP

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" and last name "Morell" clearly distinguishable.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 8, 2009

U.S. Environmental Protection Agency
1200 Sixth Avenue
Seattle, WA 98101

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.--Abandonment Exemption--In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. PRCC does not believe any permits under Section 402 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.


BALL JANIK LLP

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is fluid and cursive, with the first name "Karl" and last name "Morell" clearly distinguishable.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.

BALL JANIK LLP

A T T O R N E Y S

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

www.balljanik.com

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

EXHIBIT 9

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 8, 2009

U.S. Army Engineer District, Walla Walla
201 North Third Avenue
Walla Walla, WA 99362-1876

**RE: Docket No. AB-570 (Sub-No. 3X), Palouse River & Coulee City
Railroad, Inc.—Abandonment Exemption—In Latah County,
Idaho**

Dear Sir/Madam:

Palouse River & Coulee City Railroad, Inc. ("PRCC") is planning to file a Notice of Exemption with the Surface Transportation Board ("STB"), on or about June 22, 2009, for PRCC to abandon the rail lines located between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, ID; (2) milepost 86.11 and milepost 86.9, in Moscow; and (3) milepost 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. A map of the proposed abandonment is attached.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on designated wetlands or 100-year flood plains. PRCC does not believe any permits under Section 404 of the Clean Water Act will be required.

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

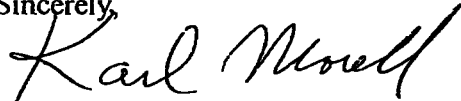
BALL JANIK LLP

May 8, 2009

Page 2

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive, flowing style.

Karl Morell

Attorney for:

Palouse River & Coulee City Railroad, Inc.



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
WALLA WALLA DISTRICT, CORPS OF ENGINEERS
201 NORTH THIRD AVENUE
WALLA WALLA, WASHINGTON 99362-1876

EXHIBIT 10

June 5, 2009

Regulatory Division

SUBJECT: NWW-2009-322-W04

Mr. Karl Morell
Ball Janik, LLP
1455 F Street, NW
Suite 225
Washington, D.C. 20005

Dear Mr. Morell:

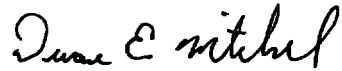
This is in response to your May 8, 2009 letter requesting our comments on the Palouse River & Coulee City Railroad's abandonment of rail lines between: (1) milepost 84.0, at the Washington-Idaho State Line and milepost 85.91, in Moscow, Idaho; (2) milepost 86.11 and milepost 86.9 in Moscow; and (3) mile post 85.5 and the end of the line at the intersection of A Street and Almon Street in Moscow, in Latah County, Idaho. Section 404 of the Clean Water Act (33 U.S.C. 1344) requires a Department of the Army permit be obtained for the discharge of dredged or fill material into waters of the United States. This includes most perennial and intermittent rivers and streams, natural and man-made lakes and ponds, and wetlands, as well as irrigation and drainage canals and ditches that are tributaries to other waters, requires a Department of the Army permit be obtained for any structures or work in or affecting navigable waters of the United States. Paradise Creek is a water regulated under Section 404. Activities regulated under Section 404 include excavation and mechanized land clearing activities which result in the discharge of dredged material and destroy or degrade waters of the United States.

Based on the information provided, we are unable to determine if the proposed project will involve any work subject to our jurisdiction. We would suggest you have the project area inspected by a qualified wetland consultant to determine if the proposed project will involve work in such areas. If it does, you should then have these areas identified and delineated and submitted for our review and approval. We would also suggest you select someone who is knowledgeable in the methods we use for delineating jurisdictional wetlands. Enclosed for your information are our requirements for preparing wetland delineations and a list of consultants who may be able to assist you.

If the proposed project will involve the discharge of dredged or fill material in waters of the United States, including wetlands, a Department of the Army permit may be required prior to the start of construction. If so, you will need to complete and submit a permit application for processing and evaluation. Please be advised that starting work before obtaining the required

Department of the Army permit constitutes a violation of Section 404 and could result in legal action. If you have any questions concerning these regulatory matters, please contact me at 509-527-7156 (fax 509-527-7823).

Sincerely,

A handwritten signature in black ink that reads "Duane E. Mitchell". The signature is written in a cursive style with a large, stylized "D" and "M".

Duane E. Mitchell
Regulatory Project Manager

Enclosures